

**STATEMENT OF**  
**PHILLIP J. BOND**  
**UNDER SECRETARY FOR TECHNOLOGY**  
**DEPARTMENT OF COMMERCE**  
**ON**  
**IDENTITY THEFT**  
**BEFORE THE**  
**SUBCOMMITTEE ON SOCIAL SECURITY**  
**OF THE**  
**HOUSE COMMITTEE ON WAYS AND MEANS**  
**AND THE**  
**SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS**  
**OF THE**  
**HOUSE COMMITTEE ON FINANCIAL SERVICES**  
**NOVEMBER 8, 2001**

Thank you for inviting me here today to address the important issue of combating the fraudulent use of social security numbers of deceased individuals. The National Technical Information Service (NTIS), a component of the Technology Administration of the Department of Commerce, is involved in this issue because it makes available to the public the Social Security Administration's Death Master File Extract.

As someone who has put six years of his life into working in the People's House, it is truly an honor to have this opportunity to return and work with you to defend Americans against identity theft. The events of September 11 are causing us all to revisit and reassess what we are doing and how we are doing it. I commend you for holding this hearing, and look forward to further discussions to make America more secure. I am very confident that these Committees will find technology to be a solution to closing the loopholes that make identities vulnerable to theft.

First, let me tell you a bit about who NTIS is and what it does. For over 50 years, NTIS has been collecting, organizing, and permanently preserving most of the research and technical reports produced by federal agencies and their contractors and grantees. It has almost 3 million information products in its permanent collection and makes them available to business, industry, the academic community, and the general public. NTIS is one of the Government's means for transferring technology from the shelf where it might otherwise sit and collect dust to those who can turn it into new products, new businesses, and new jobs. NTIS receives no appropriated funds and sustains itself primarily from the sale of these reports.

Over the years, NTIS has developed close working relationships with many federal agencies. Many agencies work with NTIS because they know it has the ability to make their information products widely available beyond their traditional constituency and that NTIS can distribute their information in a variety of formats, depending on customer needs. It would undoubtedly be more expensive if individual agencies tried to replicate this infrastructure for individual products. For example, the Defense Technical Information Center will provide its technical reports to any registered member of the Defense community but provides all unclassified research to NTIS for distribution to the public at large. The intelligence community collects and translates information from newspapers and radio broadcasts around the world so Government policymakers can learn what's going on and how information is being reported locally. The community provides the information to NTIS so it can make it available to the public. Similarly, the Social Security Administration (SSA) distributes the Death Master File within the Federal Government and to certain state and local agencies, but uses the services of NTIS to make it available to others, in part because they do not currently have the capacity or established distribution networks to handle large numbers of subscribers.

My principal comments will address what we do with the files we receive from SSA. I will defer to that agency to address any questions regarding accuracy or timeliness, except to note that (a) every calendar quarter, SSA extracts information from its various filing systems and creates a complete Death Master File, which now contains almost 67

million names, and (b) it also prepares a monthly update containing new deaths and changes or deletions to the master file.

The Death Master File contains only basic information: Social Security Number, Last Name, First name, Date of Death, Date of Birth, State or County of Residence, and Zip Codes for the Last Residence and Last Lump Sum Payment.

Obviously, the Death Master File can be a great help for detecting erroneous or fraudulent payments. Accordingly, SSA makes it available directly to a number of agencies that pay benefits or have other needs for this information such as for preparing certain statistical studies; and to states, which use the list to detect fraud or administrative errors including fraudulent or erroneous food stamp payments.

At the same time that SSA makes the Death Master File available to these various federal and state agencies, it makes it available to NTIS for reproduction and distribution to other users. NTIS receives this information on cartridge via overnight mail. It then copies the information onto magnetic tape, cartridge, or CD-ROM, depending on customer preferences. NTIS will, of course, be pleased to consider other formats if there is sufficient demand. It typically takes one-to-three days to complete the production process and to send the file to its more than 100 subscribers via overnight mail, or other means, depending on the subscribers' preferences. All formats are sent out at the same time. The turnaround time depends in part on file size, but is not generally a function of the fact that NTIS offers the file in various formats.

We understand that the Social Security Administration is exploring new approaches to making the file available in a more timely manner. These include sending the files to us electronically and sending updates on a weekly, rather than monthly, basis. Electronic transfer would certainly reduce turnaround time. Subscribers would probably find it easier to obtain just the updates electronically. In any event, we are committed to working with SSA to improve the delivery of this important information product.

Finally, we understand that there is some desire in the financial community for a web-based search capability. This is an interesting proposal that merits consideration. We note, however, that the proposed improvements under consideration by SSA may resolve many of the issues regarding timeliness. NTIS will be pleased to look into this further.

In conclusion, NTIS is proud of its relationship with the Social Security Administration and honored that they look to NTIS to make this important product available to the public. I would welcome any suggestions to help NTIS distribute this important list more effectively. Thank you.